



**University of
Zurich**^{UZH}

**Zurich Open Repository and
Archive**

University of Zurich
University Library
Strickhofstrasse 39
CH-8057 Zurich
www.zora.uzh.ch

Year: 2012

Megacities and the challenge of governance

Kübler, Daniel

Abstract: The emergence of megacities raises a number of conceptual questions for political science and public administration. It is as yet unclear to what extent the huge size of megacities presents conditions that require qualifications or adaptations to existing concepts and theoretical models for the analysis of governance in megacities as compared to urban regions of lesser size. The aim of this paper is to discuss this conceptual issue. With respect to policy problems, distinctions between megacities and smaller cities seem to be a matter of degree rather than quality. With respect to governability, however, megacities seem to present particular problems: institutional complexity, a weakness of public resources and, linked to this, an actor system where private businesses and the informal sector plays a more important role, as well as a strong entwinement between local and national governments. Only the new regionalist approach rests on theoretical premises that can, realistically, seen to be met in megacities. Analysing megacity governance on the basis of the new regionalist approach means to focus our attention on four elements that facilitate coordination by negotiation: (a) actors' attitudes towards sustained negotiation as the core means of policy-coordination, (b) the emergence of consensus as a mode of interaction, (c) the construction of political leadership at the scale of the megacity, (d) the use of slack in the multi-levelled relationships by policy-relevant actors.

Posted at the Zurich Open Repository and Archive, University of Zurich
ZORA URL: <https://doi.org/10.5167/uzh-73619>
Conference or Workshop Item

Originally published at:

Kübler, Daniel (2012). Megacities and the challenge of governance. In: Governance issues in megacities: Chinese and international perspectives, Beijing, 9 October 2012 - 10 October 2012.

Megacities and the challenge of governance

DANIEL KÜBLER

Department of Political Science, University of Zurich (Switzerland)

Daniel.Kuebler@ipz.uzh.ch

Paper presented at the workshop *Governance issues in megacities: Chinese and International Perspectives*, organized by the Chinese Academy of Social Science, the Beijing University of Technology and the University of Zurich in the framework of the Sino-Swiss Science and Technology Programme

Beijing, 9 / 10 October 2012, Tibet Hotel

Draft date: 3rd of October 2012

Contents

1. Introduction	3
2. Policy problems in megacities.....	4
2.1 Defining megacities: characteristics and distinctions	5
2.2 The specificities of policy problems in megacities	7
3. The governability of megacities	8
3.1 Institutions, resources, power balance and the role of the national state	8
4. The governance of megacities: a case for the “new regionalism”	11
4.1 Governing city regions: the long running debate	11
4.2 A governance model for megacities: four crucial factors of governance	14
5. Conclusion: towards a research agenda on mega-city governance	17
6. References	18

Abstract

The emergence of megacities raises a number of conceptual questions for political science and public administration. It is as yet unclear to what extent the huge size of megacities presents conditions that require qualifications or adaptations to existing concepts and theoretical models for the analysis of governance in megacities as compared to urban regions of lesser size. The aim of this paper is to discuss this conceptual issue. With respect to policy problems, distinctions between megacities and smaller cities seem to be a matter of degree rather than quality. With respect to governability, however, megacities seem to present particular problems: institutional complexity, a weakness of public resources and, linked to this, an actor system where private businesses and the informal sector plays a more important role, as well as a strong entwinement between local and national governments. Only the new regionalist approach rests on theoretical premises that can, realistically, be met in megacities. Analysing megacity governance on the basis of the new regionalist approach means to focus our attention on four elements that facilitate coordination by negotiation: (a) actors' attitudes towards sustained negotiation as the core means of policy-coordination, (b) the emergence of consensus as a mode of interaction, (c) the construction of political leadership at the scale of the megacity, (d) the use of slack in the multi-levelled relationships by policy-relevant actors.

1. Introduction¹

The twin forces of globalization and urbanization have changed the face of the world. The year 2008 has even marked a turning point in the history of mankind. For the first time ever, the number of humans living in cities exceeded those living in rural areas. All over the planet, the urbanization process has accelerated and cities have grown. In parallel, the spatial form of cities has changed profoundly. The city in the classic sense of a territorially integrated socio-economic entity has ceased to exist. Global competition for the location of businesses and investments has fostered the emergence of metropolitan areas, i.e. large areas of suburban settlement that have sprawled far over the boundaries of traditional cities. These metropolitan areas will be the context of social, economic and political life for a growing majority of the world's citizens in the 21st century (Hoffmann-Martinot and Sellers, 2005).

Some of these urban regions have grown to a considerable size. In the world today, there are 23 urban regions with a population that exceeds 10 million (United Nations, 2012). They are often described as *megacities*. This term conveys the notion that these very large urban regions have specificities that are due to their sheer size. In this respect, megacities are distinct from *global cities*, which are defined by their position in the upper ranks of a global order of urban centrality (Sassen, 2001). Megacities can be global cities at the same time - such as Tokyo or New York - but most of them are, in fact, provincial cities from the global point of view (Sassen, 2011). This idea to define a specific form of urban human settlement mainly according to very large population size can be traced back to antiquity (Hall, 1997), where the Greeks conceived of the 'megapolis' as spaces that, due to large population size, were the site of particularly intensive political, social and economic activities. The understanding of 'mega' is, of course, always relative to the population growth and pattern of a given historic periods. The world's contemporary *megacities* are, in this respect, without precedents. Never in history have cities been so large (Lorain, 2010: 16 ff.). In Europe, the population of antique Rome or Byzantium peaked at 1 million. The cities of Mesopotamia and ancient China had not more than half a million inhabitants. Teotihuacan, the largest city of the pre-columbian era in the Americas, counted a quarter of a million at its heydays. The important cities of middle age Europe cities were even smaller than that: Florence or Venice had only little more than 100'000 inhabitants. Megacities exceeding 10 millions inhabitants are a recent phenomenon.

¹ The author gratefully acknowledges research assistance by Su Yun Woo, as well as valuable inputs from Christian Lefèvre in the preparation of this paper.

They emerged after World War II, when Tokyo, and then New York, exceeded this mark for the first time.

Speaking of megacities implies that mainly the huge size, but also the relative recency of these forms of human settlements carry specificities that must be acknowledged and that are worth studying as such. For political scientists interested in issues of governance in the urban context, this contention raises a number of conceptual questions. Indeed, the governance of cities and urban regions is a classic topic of political science and public administration, and has been extensively studied. It is as yet unclear to what extent the huge size of megacities leads to conditions that require qualifications or adaptations to existing concepts and theoretical models when assessing issues of governance in megacities as compared to urban regions of lesser size. An additional conceptual challenge results from the fact that most of the existing scientific literature on the topic of urban and metropolitan governance is based on experiences in OECD countries, while the bulk of the World's contemporary megacities are located outside of this context. Hence, it is unclear to what extent the theoretical frameworks and the analytical tools developed so far to understand, explain and address problems of urban and metropolitan governance are also applicable to contexts outside of the Western, industrialised countries.

The aim of this paper is to discuss this conceptual issue. We will do so in three steps. Section 2 defines the term of megacities and identifies the specificity of policy problems in the megacity context. Section 3 discusses the governability of megacities and aims to single out the factors that make the governing of megacities particularly difficult. Finally, section 4 discusses existing theoretical models to understand and analyse governance of metropolitan areas in the light of the specificities of mega-cities. The conclusion wraps up the main points of this discussion and identifies the core elements of a research agenda on governance issues in megacities.

2. Policy problems in megacities

The emergence of megacities has fascinated numerous observers from politics, media and the arts. Megacities have sparked pessimistic accounts of the future of humanity, such as US historian Mike Davis's (2006) book *Planet of slums*, emphasizing the drawbacks of wild urban growth in developing countries. But there are also more optimistic narratives, such as the recent book *Arrival city* by Canadian journalist Doug Saunders (2011), who points out the op-

portunities and chances that megacities provide for economic growth, human development and political modernization. In parallel, megacities have increasingly become an object of scientific scrutiny. A keyword search in the Web of Science yields 677 entries (in September 2012). Most of this work on megacities has been published since 1996, i.e. in the last 15 years and especially towards the end of this period. In terms of disciplines, these publications originate mainly in the environmental (234 entries) or atmospheric sciences (231), followed by engineering (72), geography (67) and urban studies (56). However, only few publications deal with questions of governance or politics in megacities in a perspective of public administration or political science. This section aims to clarify the starting point for the development of such a perspective, i.e. distinguish the characteristic features of megacities and lay out the specific challenges to their governance.

2.1 Defining megacities: characteristics and distinctions

To define megacities in a comprehensive and analytically meaningful way has proven to be an elusive endeavour. The primary criterion for determining what makes a city a megacity is clearly population size: most researchers define megacities as large urban agglomerations delineated in the World Urbanization Prospects (United Nations, 2012) that exceed a population threshold of 10 million. Such defined, there were 23 megacities in the year 2010, and current projections estimate this number to rise to 30 by the year 2025 (Table 1). The bulk of the contemporary megacities are located in developing countries or emerging markets, where megacities are also forecasted to accelerate their growth. For example, Lagos megacity is projected to expand by 74%, adding more than 8 million people (to nearly 19 million total) between 2010 and 2025. Over the same time period, Dhaka is estimated to grow by 53% (plus 8 million to 23 million total), Karachi by 50% (plus 6.5 million to 20 million total), Jakarta by 31% (plus 3 million to nearly 13 million total), and Kolkata also by 31% (plus 4.5 million to nearly 19 million). Looking at particular countries, China and India stand out. Four out of the 23 megacities worldwide in 2010 were located in China, three in India. By 2025, China is projected to count six out of 30 megacities, India five.

Table 1: Urban agglomerations over 10 million in 2010 and 2025 (projection)

<i>Megacity</i>	<i>Country</i>	<i>Population 2010 (in millions)</i>	<i>Population 2025 (projec- tion in millions)</i>
Tokyo	Japan	36.93	38.66
Delhi	India	21.94	32.94
Mexiko-City	Mexico	20.14	24.58
New York	USA	20.10	23.57
São Paulo	Brasil	19.65	23.17
Shanghai	China	19.55	28.40
Mumbai	India	19.42	26.56
Beijing	China	15.00	22.63
Dhaka	Bangladesh	14.93	22.91
Kolkata	India	14.28	18.71
Karachi	Pakistan	13.50	20.19
Buenos Aires	Argentina	13.37	15.52
Los Angeles	USA	13.22	15.69
Rio de Janeiro	Brasil	11.87	13.62
Manila	Philippines	11.65	16.28
Moscow	Russia	11.47	12.58
Osaka	Japan	11.43	12.03
Cairo	Egypt	11.03	14.74
Istanbul	Turkey	10.95	14.90
Lagos	Nigeria	10.79	18.86
Paris	Frankreich	10.52	12.16
Guangzhou	China	10.49	15.47
Shenzhen	China	10.22	15.54
<i>Kinshasa</i>	<i>DOC</i>	<i>8.41</i>	<i>14.54</i>
<i>Chongqing</i>	<i>China</i>	<i>9.98</i>	<i>13.63</i>
<i>Bangalore</i>	<i>India</i>	<i>8.25</i>	<i>13.19</i>
<i>Jakarta</i>	<i>Indonesa</i>	<i>9.77</i>	<i>12.82</i>
<i>Chennai</i>	<i>India</i>	<i>8.78</i>	<i>12.81</i>
<i>Wuhan</i>	<i>China</i>	<i>9.16</i>	<i>12.73</i>
<i>Tianjin</i>	<i>China</i>	<i>8.53</i>	<i>11.93</i>

Source: United Nations, Department of Economic and Social Affairs, Population Division (2012)

World Urbanization Prospects: the 2011 Revision, CD-Rom Edition

The UN figures draw on national statistical definitions and are therefore based on criteria that may differ from one country to another. Nevertheless, they all define urban areas on the basis of functional criteria (e.g. commuter patterns or contiguity of the built-up area) rather than institutional boundaries. Conceptually thus, megacities are defined as very large spatial agglomeration of socio-economic functions and networks. In many instances, their coming about is due to population growth boosted by improved territorial connectivity within but also across smaller cities or metropolitan areas. A megacity therefore appears as a “sufficient, internally diverse, economic territory that can contain diverse spatial logics - particularly, agglomeration and dispersal logics - which might translate into high-cost high density areas and low-cost low density areas” (Sassen, 2011: 103). Beyond mere population size, it is paramount to uncover the complexities that are embedded in the megacity as territories of economic production and social reproduction.

2.2 The specificities of policy problems in megacities

A political science perspective on the governance of megacities entails to focus on the role of public policies in these territories. We can define a public policy as an action programme formulated and implemented by state authorities in order to act on a situation that is publicly considered as problematic (‘policy problem’). As we know, there are a number of policy problems that occur in any given urban context. Five problem areas can be distinguished:

- the regulation of property rights in order to steer spatial development (who can own land to be purchased, built-up, developed or sold);
- the provision of technical infrastructure that allows the spatial agglomeration processes that are at the heart of urban growth (most importantly roads, transportation and energy);
- the provision of public utilities and services important to social reproduction processes (notably water, education, sanitation, health);
- the limitation of environmental degradation following from urban growth and economic activity (e.g. pollution, waste disposal);
- the setting up of mechanisms of redistribution in order to limit poverty, segregation and conflict.

Hence, urban public governance capacity means the ability to coordinate the multiplicity of actors who are relevant to acting effectively on these policy problems. The context of megacities - i.e. the very large size - does entail specificities in this respect. Indeed, megacities are not only extremely large, they have also grown at an amazingly high pace, and most of them will continue to grow at a very high rate in the near future (Table 1). Hence, policy problems in megacities are characterized by challenges resulting from high rates of growth. These challenges relate to all four areas of policy problems identified above: the magnitude of these policy problems is likely to be significantly higher in megacities than elsewhere.

3. The governability of megacities

Megacities are therefore characterised by the pressing nature and the magnitude of policy problems as a consequence of rapid growth. But the ability to formulate and implement public policies that can effectively address these public problems not only depends on the characteristics of these public problems. The ability of state authorities to effectively address public problems and steer economic and social development also depends on their ability to coordinate policy relevant actors in a meaningful way. This raises the question of governability of megacities. The notion of governability focuses on the state of being governed, i.e. the ability to produce collective action in order to address problems and challenges facing society and to steer its economic and social development in a certain way. Defined as “the capacity to solve urgent societal problems” (van Kersbergen and van Waarden, 2004: 156), the notion of governability focuses the analysis towards obstacles or difficulties that state authorities typically face for policy-making in a given context.²

3.1 Institutions, resources, power balance and the role of the national state

Hence, asking the governability question means to ask whether there is anything specific to megacities that makes them difficult to govern. There are a number of candidates that can be discussed.

Looking at state institutions, first of all, megacities are characterized by extreme governmental fragmentation. Back in the 1960s Robert Wood’s famous quip about the 1400 governments of New York (Wood, 1961) pointed out the hyper-fragmented nature of the New York megacity’s institutional landscape. Urban growth in the 20th century across the world has taken place mainly by sprawl and spatial expansion across institutional boundaries

² E.g. the famous 1975 report by Michel Crozier, Samuel Huntington and Joji Watanuki on the Governability of Democracies, pointing out a range of factors that make modern democracies ungovernable.

(Hoffmann-Martinot and Sellers, 2005). Even when they have not failed, institutional reforms lagged far behind the pace of spatial development. As a result, urban regions across the world today encompass a large number of local jurisdictions - the larger they are, the higher this number. In megacities, the degree of institutional fragmentation can therefore be assumed to be particularly high. This is significant to their governability: the higher the number of governmental actors, the higher coordination costs.

Second, there is the question of resources that state authorities can mobilise. Megacities indeed face peculiar problems resulting from economic (under)development. With respect to their situation in the global economic order, most of the world's contemporary 23 megacities are laggards, not (yet) winners (Sassen, 2011: 101). It is a common misperception that megacities have been driving global economic growth. While many megacities have been the focus of socio economic agglomeration processes, they are not necessarily powerhouses of economic growth. In most megacities, the growth rate of the urban economy has not exceeded the growth rate of the wider national host economy and this situation is expected to last. It is estimated that, until 2025, today's 23 megacities will contribute only about 10 percent of global economic growth, which is well below their 14 percent share of global GDP.³ This means that most megacities - very much in contrast to global cities - will face increasing difficulties to self-generate the financial resources needed to hire qualified staff, and to finance the provision of infrastructures, utilities and services needed to effectively address their policy problems. Nevertheless, the problem of scarcity of public revenue can be assumed to affect not all megacities equally, but mostly those located in a context of economic weakness and/or underdevelopment.

Third, and linked to the former, the constellation and power balance of policy relevant actors in megacities can be assumed to be distinct from that in urban regions of lesser size. In particular, the weakness of state authorities in terms of financial resources reduces their capacity or willingness to constrain private business actors who, wielded with the "systemic power" (Stone, 1993) of control over capital investment, have a considerable impact in forming and shaping urban development. In megacities, the private sector is therefore deemed to play a more important role in policy-making than elsewhere. In addition, especially in the megacities of the Global South the importance of the informal sector must be emphasized. Wild and unplanned urbanization via invasions of vacant land has been a recurring feature of urban development in many developing countries (Stren, 2012: 578 ff.), and thereby a central vector of

³ http://www.mckinsey.com/mgi/publications/urban_world/index.asp

the formation and growth of megacities. These invaded territories tend to urbanise more or less independently from state intervention, relying strongly on community self-organisation. Neighbourhood committees play a crucial role in these areas: they function as gate-keepers who control the access to the neighbourhood; they regulate housing development when inhabitants transform shacks into more decent dwellings; they help organise the provision of basic public utilities such as electricity and water (often pinched off the public networks); they work towards the provision of educational and health services to the population in need; and they might play a role in permitting or regulating (informal) economic activities. Megacities, more than cities of lesser size, can therefore be assumed to comprise large territories which escape the regulation by an instituted political power. Informal sectors of economic production and social reproduction can hence be assumed to play crucial roles in megacity governability.

Finally, megacities challenge national territorial equilibria. The larger they become, the more weight they gain in national systems of economic production and social reproduction. Countries with megacities will increasingly see their fate linked to that of their megacities, respectively the relations they establish among each other and with the rest of the countries. The governance of megacities thereby becomes a matter of national importance. Critical geographers such as Neil Brenner (1999, , 2004) have argued that the metropolitan region increasingly becomes the relevant territorial scale of globalised capitalism, and that state institutions in developed economies tend to reconstitute around this scale. *Mutatis mutandis*, similar tendencies can be assumed for megacities in less developed countries: given their rising importance in terms of population and economic production, policy-making in megacities will imply a (conflictual) reconstituting of the relations between urban authorities and higher state levels. To run a country means to run its megacities. We can therefore assume that the involvement of national agencies and authorities in urban policy-making is stronger in megacities than what is the case in cities of lesser size. This does not necessarily make policy-making easier. Although the involvement of national agencies most likely also improves the resource situation, conflicts of autonomy and decision-making authority can have constraining effects. In any case, the role of the national state can be assumed to be a crucial factor of governability in megacities.

4. The governance of megacities: a case for the “new regionalism”

Most observers agree that the establishment of governance capacity on a region-wide basis is crucial to enhance a city's competitiveness in an increasingly globalised economy (Savitch and Kantor, 2002). But the question of how exactly this should be achieved has triggered a long running scientific and political debate about the ‘best way’ to overcome disparities between functionally integrated metropolitan areas on the one hand, and the fragmentation of institutional territories on the other hand.

4.1 Governing city regions: the long running debate⁴

The formulation and implementation of policies to address policy problems in metropolitan areas require the arbitration between a whole array of conflicting territorial and sectoral interests, and need to overcome problems of co-ordination between a multitude of different political and administrative entities. But metropolitan areas across the world are characterised by „geopolitical fragmentation“ (Hoffmann-Martinot and Sellers, 2005), that poses difficulties to addressing policy problems and providing services on an area-wide basis. While there is a basic consensus about the issue of governability of institutionally fragmented metropolitan areas, there is substantial disagreement over possible responses. As David Lowery (1999) has argued, this disagreement has sparked one of the longest debates in social science. Running since the early 20th century, this debate has coined three intellectual traditions (for an overview see Savitch and Vogel, 2009, Kübler and Pagano, 2012).

First, the so-called metropolitan reform tradition views the existence of a large number of independent jurisdictions as the main obstacle to efficient and equitable governance of metropolitan areas. Inspired by the logic of economies of scale, metropolitan reformers have advocated governmental consolidation, whereby institutional boundaries would be brought to match the scale of the functional metropolitan territory. Such consolidation can be achieved, it is argued, through the annexation of suburbs by core-cities, city-county consolidation (in the American context), or by the creation of metropolitan governments, i.e., two-tier institutions with extensive competencies and autonomy. Metropolitan reformers claim that a more centralised and integrated governing system would reduce social segregation within metropolitan areas, allow to address the spatial mismatch of expenditure needs and fiscal capacities, as well as ensure the supply of metropolitan-wide policies designed to enhance equity and promote economic growth (Lowery, 2000). Drawing on these arguments, institutional reforms have

⁴ This section draws on the presentation in Kübler (2012b, , 2012a).

been initiated in metropolitan areas throughout the world. Yet, political factors (e.g., fear of a loss of control by higher or lower government levels) as well as place identity often fuelled strong resistance against such reforms, resulting in a “long series of disappointing experiments” (Lefèvre, 1998: 13)..

Second, the public choice perspective emerged in the late 1950s, mainly as a coherent critique of the thence dominant metropolitan reform tradition. The public choice perspective on metropolitan governance argues that “a multi-jurisdictional metropolitan area can be better understood as a complex local public economy than as a maze, a jungle, a crazy quilt, a stew or other metaphor indicating the absence of rational organization” (Parks and Oakerson, 1989: 19). On the one hand, public choice scholars draw on Tiebout’s (1956) classic idea of people ‘voting with their feet’, to argue that the competition between autonomous local constituencies will lead to effective matching of service demands and foster efficiency in the allocation of public services. In order to attract residents and businesses, localities will keep taxes low, provide good services and be responsive to citizens. On the other hand, the public choice school emphasises the principle of self-governance as localities have strong incentives to adjust relationships and settle conflicts between them (Ostrom et al., 1961). As localities seek efficiency in their providing of public goods, they will engage in schemes of voluntary cooperation in order to realise scale economies (Ostrom, 1983). Area-wide coordination, it is argued, will therefore emerge by itself. The prescriptive implications of the public choice perspective are straightforward: it makes a strong case for institutional fragmentation - rather than consolidation - as well as for self-governance by autonomous localities - rather than centralised government. Prominent criticisms of the public choice perspective have tended to emphasise inadequacies of the Tiebout model of residential choice and the lack of equity this model produces. More particularly, the idea of individual choice of housing is criticised as “a rather heroic assumption under the conditions of chronic housing shortage” (Kriesi, 2005: 251) especially at the lower end of the market. Recent research in the public choice tradition therefore tends to put less emphasis on residential mobility. For instance, some scholars suggest a distinction between public service provision (i.e., decisions about which goods and services to provide by public means) and production (i.e., transforming input resources to render a service) (Parks and Oakerson, 2000) and emphasise that competition takes place both among provision units (i.e., municipalities) and among production units (i.e., service contractors), the latter being independent from citizens’ residential choices.

Consolidation or fragmentation? Centralised government or self-governance by autonomous localities? Since the 1950s, the dispute between the metropolitan reform school and the public choice perspective has sparked a myriad of studies aiming to demonstrate the superiority of each approach. If anything, the empirical evidence is inconclusive (Keating, 1995). What the empirical analysis tends to show, is that the majority of public problems that arise in metropolitan areas end up being mediated through coordination and cooperation in formal or informal networks in which local governments, public agencies from various other levels of government, private actors, but also civil society organisations, are involved. A third perspective has therefore emerged, focusing on the role of such policy networks in metropolitan governance and has discovered a new regionalism (Wallis, 1994, Savitch and Vogel, 2000, , 2009, Brenner, 2002). This third approach is based on the argument that governance - in the sense of coordinating actors to produce public policies - cannot only result from hierarchic decision making (metropolitan reform tradition) or competition (public choice tradition), but also via negotiation. It thereby echoes the work on multi-level governance in Europe (e.g. Hooghe and Marks, 2003) emphasising the importance of voluntary cooperation and joint-decision systems as a means to coordinate policy-making across state levels in a context of increasing interdependencies. The new regionalism approach conveys a more relaxed view on the design of territorial institutions. Routes towards new regionalism are thought to be diverse (Savitch and Vogel, 2000): they may include institutional consolidation, but voluntary cooperation among autonomous localities is considered a functional equivalent, as long as it successfully associates relevant actors with the production of policies that enhance international competitiveness.

It is important to note how the scope of this debate has changed over the years. At the onset of the debate, metropolitan areas were seen as self-sufficient systems. Metropolitan reformers and public choice scholars have mainly been concerned with questions of efficiency, effectiveness and equity. For them, capacity of governance in metropolitan areas essentially was about effective area-wide planning, efficient public services, as well as equitable distribution of wealth within single metropolitan areas. New regionalists portend a different view. They stress the context of economic globalisation as the frame through which issues of metropolitan governance must be read. Metropolitan economies, they contend, compete against each other at a global scale, and the essence of metropolitan governance is to provide the critical local assets in order to ensure, maintain and improve competitiveness. Metropolitan areas, new regionalists argue, are not isolated and self-sufficient territorial systems, but they are part

of a global order of centrality that is relevant for governance as it creates opportunities for local actors but also imposes restrictions upon them. Some authors in the strand of new regionalism (e.g. Brenner, 2004) have recently argued that metropolitan governance capacity is a major issue of globalised capitalism. The pressures of globalisation not only result in a reorganisation of governance in a given metropolitan area, but also have implications for the state more generally, as its institutions are increasingly reconstituted at the metropolitan scale. The issue of metropolitan governance has therefore gained a new scope. It is no longer a question of local interest limited to single metropolitan areas, but relates to changes and developments in the organisation of the wider state apparatus. This involves not only the reorganisation of vertical relationships between urban governments and higher state levels, but also the changed relationship between public and private actors. Metropolitan governance is a topic that increasingly concerns state agencies at the regional, national and even the supra-national level (e.g., the European Union), but also business and civil society actors with vested interests in the global competitiveness of metropolitan economies.

4.2 A governance model for megacities: four crucial factors of governance

How do these three governance models fare in the light of the issues of governability previously identified and specific to megacities? Following Dominique Lorrain (2010), we argue that megacities defy the two classic models of metropolitan governance.

On the one hand, pursuing the metropolitan reform model in a megacity context seems to be a rather hopeless endeavour. Institutionally speaking, megacities are characterised by a very high degree of institutional fragmentation. Consolidationist territorial reforms are therefore inherently difficult to realise and will most likely be only partially successful. Looking at the constellation of policy relevant actors in megacities, the importance of the private and informal sectors, as well as the involvement of higher level authorities limit the possibilities of top-down decision-making, considerably thus hampering the effectiveness of coordination through hierarchical steering.

On the other hand, megacities present peculiarities that preclude territorial competition as an effective mode of coordination. Megacity territories are concomitantly formed by agglomeration and dispersion logics, resulting in functional specialisation of space, economic disparities and social segregation. Social and economic heterogeneity is more pronounced in megacities than in urban regions of a lesser size. This situation distorts the competition among localities. In megacities it seems particularly likely that “fragmentation of big city government enables the rich to lock up their money and resources in the wealthy suburbs, leaving the rest to man-

age as best they can with their smaller tax bases and greater demands on public services” (Newton, 2012: 415).

In the metropolitan reform model, the underlying philosophy of governance is hierarchy. The public choice model assumes that self-coordination among localities will emerge through the invisible hand of self-interested competition. But the preconditions for both these models to function properly are unlikely to be met in a megacity context. Megacities are characterised by institutional complexity, the weakness of public authorities compared to private business or actors from the informal sectors, as well as a multi-levelled actor system where urban authorities and national government agencies are strongly entwined. In such a context, only the third model of metropolitan governance - new regionalism as it is called - rests on premises that seem realistic. Following Dahl and Lindblom (1992) we argue that the underlying philosophy of governance portended by the new regionalist approach is that of “bargaining”. New regionalism focuses on the emergence of area-wide governance capacity through processes of negotiation between policy relevant actors. The status of these actors with respect to formal hierarchies or their sector (public/private/societal) is of secondary importance. According to the new regionalist approach, the crucial act of governance consists in bringing the relevant actors to agree on the usefulness of a collective endeavour.

However, negotiation as a mode of coordination also has its limits. As Fritz Scharpf has argued, the greatest obstacle to negotiated coordination is what he calls the “joint decision trap” (Scharpf, 1988). The joint decision trap clicks shut when, in a negotiation process, defenders of the status quo block all changes due to a de facto unanimity rule that results from the absence of hierarchy between interdependent negotiators. Negotiation systems are successful in producing coordination to the extent that they are able to avoid the joint decision trap. Four factors appear to be crucial in this respect.

The first factor relates to *actor behaviour*. Positive attitudes towards the negotiation process and cooperative behaviour within the process are a requirement for smooth negotiation (Benz, 2001). Stakeholders in the negotiation process need to be convinced of the value of its ends. They must share the belief that there is something to be gained from improved governance capacity and that the negotiation process is a means to eventually achieve such capacity. This prevents defective behaviour in the negotiation process. Much more than hierarchy or market, coordination through negotiation relies on trust and mutual respect and is helped by conflict-avoiding strategies (‘pragmatism’): formulating soft norms rather than obligations, consulting

all relevant interests, equitable allocation of financial resources, work towards solution that only minimally alter the status quo, anticipate resistance, etc.

The second factor relates to the *decision rules*. As Scharpf (1997: 144) has argued there is a distinction to be made between unanimity and consensus. Unanimity implies decision-making as a one-off event where actors decided on the basis of exogenous preferences. In contrast, consensus can be defined as a mode of interaction “in which discussion is continued until no one still insists on opposing a proposed solution” (Scharpf, 1997: 144) and in which blatant obstruction can be delegitimised as narrow self-interest, or excluded from the negotiation altogether. Examples of consensus as a decision rules is often found in committees that formally operate under majority rule, but where participants usually prefer to avoid overriding the interests of a minority. The reason for this, according to Scharpf, lies in the “norms of reciprocity based on the expectation that everyone will be in the minority position at one time or another” (Scharpf, 1997: 144). In order for consensus to come about as an operational decision rule, the continuity of negotiation processes is important. Only under sustained negotiation can norms of reciprocity emerge and become operational.

Third, *political leadership* is important. Strong visions put forward by political leaders can be an important motivation for stakeholders to invest time and energy in sustained negotiation aiming to achieve governance capacity. Successful leadership (by a single person or a group), can foster the emergence of coalitions, stimulate cooperation and facilitate consensus among stakeholders, on the basis of a common understanding over the desirable - and desired - development path in a given urban region (see Jouve and Lefèvre, 2002).

Finally, *loose coupling* of negotiation arenas - rather than too tight relationships between them - also facilitates negotiation processes. The concept of loose coupling originates in systems theory (see Weick, 2001) and assumes that decisions of different subsystems can never determine decisions in other subsystems completely but can, at best, influence some aspects of decision-making in an other subsystem. The concept of loose coupling conceives negotiation processes with different decision arenas - e.g. in multi-level governance structures - not as connected games, but as embedded games. Any attempt to tighten the coupling between these arenas therefore reduces negotiators' leeway and thereby the number of possible decisions. Working on regional policy in the European Union, Benz and Eberlein (1999) have shown how the loose coupling of decision arenas has in fact increased options and reduced the risk of joint decision traps. Basically, loose coupling conveys the notion that any social organisation needs some slack built into it in order to function properly. Organisational slack will be crea-

tively used by actors, which, in turn, increases the options in the decision-making process when searching solutions to organisational problems.

To sum up, effective megacity governance seems to rest on positive attitudes towards sustained negotiation as the main process of collective action, strong political leadership, as well as some degree of slack within the system of multi-level governance.

5. Conclusion: towards a research agenda on mega-city governance

This paper set out to discuss the usefulness of existing concepts and analytical approaches for the understanding and explaining governance issues in megacities in a political science perspective. Are megacities, in comparison to metropolitan areas of a lesser size, different in terms of policy problems and governability? With respect to policy problems, distinctions between megacities and smaller cities seem to be a matter of degree rather than quality. Megacities and smaller cities face similar policy challenges and in the same fields. It is simply the magnitude of these problems that is likely to be higher in megacities than in metropolitan areas of lesser size. With respect to governability, however, megacities can be assumed to present particular problems: institutional complexity, a weakness of public resources and, linked to this, an actor system where private businesses and the informal sector plays a more important role, as well as a strong entwinement between local and national governments.

The context of megacities, we have argued, therefore defies the two traditional schools of thought on metropolitan governance. Neither the metropolitan reform model of hierarchical direction, nor the public choice tenet of unfettered competition between autonomous localities can provide analytical guidance for understanding the governance conundrum in megacities. Only the new regionalist approach starts on theoretical premises that can, realistically, seen to be met in megacities. Analysing megacity governance on the basis of the new regionalist approach means to focus our attention on elements that facilitate coordination by negotiation. More precisely, we need to analyse and understand

- why and how actors develop positive attitudes towards sustained negotiation as a core means of policy-coordination;
- how and why consensus emerges as a mode of interaction within these negotiation processes, i.e. minority actors are not overruled unless they are seen to blatantly obstruct negotiations by pursuing narrow self interests;

- how, by whom and on the basis of what type of resources political leadership is constructed and sustained in megacities;
- how and why slack is built into the structuring of the relationship between policy-relevant actors, how this slack is used by policy-relevant actors, as well as how this contributes to overall decision-making capacity.

However, there is one aspect that the above discussion has failed to address, an aspect that pertains to the conditions that are found in megacities outside of the OECD context. It is less the state of economic development that is important here and that induces governance problems due the scarcity of public resources and the weakness of the public sector. More importantly, it is the wider regime context of the countries in which many of the World's megacities are located today. Indeed, the relationship between the state and society, the nature and workings of political institutions and authorities can be assumed to be fundamentally different between liberal democracies on the one hand, and semi-democracies or authoritarian regimes on the other hand. We have argued that megacities are inherently characterised by institutional complexity and pluralism of actors. However, it is unclear whether and how the contexts of non-democratic regimes affects the dynamics of negotiation between the policy-relevant actors in a particular way. Among the four elements of megacity governance identified above, it is particularly the third one - i.e. the construction of political leadership - that is likely to be affected by the wider regime context. In democracies, the construction of political leadership can be assumed to rest upon different mechanisms and resources than in non-democracies. In this respect, the comparative analysis of megacity governance will have to pay particular attention to the wider regime context.

6. References

- Benz, A. (2001) Vom Stadt-Umland-Verband zu 'Regional Governance' in Stadtregionen. *Deutsche Zeitschrift für Kommunalwissenschaft*, 40, 55-71.
- Benz, A. & Eberlein, B. (1999) The Europeanization of regional policies: patterns of multi-level governance. *Journal of European Public Policy*, 6, 329-348.
- Brenner, N. (1999) Globalisation as reterritorialisation: the re-scaling of urban governance in the European Union. *Urban studies*, 36, 431-451.
- Brenner, N. (2002) Decoding the newest 'metropolitan regionalism' in the USA: a critical overview. *Cities*, 19, 3-21.
- Brenner, N. (2004) *New state space: urban governance and the rescaling of statehood*, Oxford, Oxford University Press.
- Dahl, R. A. & Lindblom, C. E. (1992) *Politics, economics and welfare*, New Brunswick, Transaction Publishers.

- Hoffmann-Martinot, V. & Sellers, J. (Eds.) (2005) *Metropolitanization and political change*, Opladen, Verlag für Sozialwissenschaften.
- Hooghe, L. & Marks, G. (2003) Unraveling the central state, but how? Types of multi-level governance. *American Political Science Review*, 97, 233-243.
- Jouve, B. & Lefèvre, C. (Eds.) (2002) *Local power, territory and institutions in European regions*, London, Frank Cass.
- Keating, M. (1995) Size, efficiency and democracy: consolidation, fragmentation and public choice. IN Judge, D., Stoker, G. & Wolman, H. (Eds.) *Theories of urban politics*. London, Sage.
- Kriesi, H. (2005) Economics and politics: towards a dialogue between economics and political science. *Swiss political science review*, 11, 249-268.
- Kübler, D. (2012a) Governing the metropolis: towards kinder, gentler democracies. *European political science*, 11, 430-445.
- Kübler, D. (2012b) Introduction: metropolitanisation and metropolitan governance. *European political science*, 11, 402-408.
- Kübler, D. & Pagano, M. A. (2012) Urban politics as multi-level analysis. IN Clarke, S. E., John, P. & Mossberger, K. (Eds.) *The Oxford handbook of urban politics*. Oxford, Oxford University Press.
- Lefèvre, C. (1998) Metropolitan Government and Governance in Western Countries: A Critical Review. *International Journal of Urban and Regional Research*, 22, 9-25.
- Lorrain, D. (2010) Introduction: les institutions de la fabrique urbaine. IN Lorrain, D. (Ed.) *Métropoles XXL en pays émergents*. Paris, Presses de Science Po.
- Lowery, D. (1999) Answering the public choice challenge: a neoprogressive research agenda. *Governance*, 12, 29-55.
- Lowery, D. (2000) A transaction costs model of metropolitan governance: allocation versus redistribution in urban america. *Journal of public administration research and theory*, 10, 49-78.
- Newton, K. (2012) Metropolitan governance. *European political science*, 11, 409-419.
- Ostrom, E. (1983) A public choice approach to metropolitan institutions: structure, incentive and performance. *Social science journal*, 20, 79-96.
- Ostrom, V., Tiebout, C. M. & Warren, R. (1961) The organization of government in metropolitan areas: a theoretical inquiry. *American political science review*, 55, 831-842.
- Parks, R. B. & Oakerson, R. J. (1989) Metropolitan organization and governance: A local public economy approach. *Urban affairs quarterly*, 25, 18-29.
- Parks, R. B. & Oakerson, R. J. (2000) Regionalism, localism, and metropolitan governance: suggestions from the research program on local public economies. *State and local government review*, 32, 169-179.
- Sassen, S. (2001) *The global city*. New York, London, Tokyo, Princeton, Princeton University Press.
- Sassen, S. (2011) Noval spatial formats. Megaregions and global cities. IN Xu, J. & Yeh, A. G. O. (Eds.) *Governance and planning of mega-city regions*. London, Routledge.
- Saunders, D. (2011) *Arrival city. How the largest migration in history is reshaping our world*, New York, Vintage Books.
- Savitch, H. & Vogel, R. K. (2000) Paths to new regionalism. *State and local government review*, 32, 158-168.
- Savitch, H. & Vogel, R. K. (2009) Regionalism and urban politics. IN Davies, J. S. & Imbroscio, D. L. (Eds.) *Theories of urban politics*. 2 ed. London, Sage.
- Savitch, H. V. & Kantor, P. (2002) *Cities in the international marketplace. The political economy of urban development in North America and Western Europe*, Princeton/Oxford, Princeton University Press.

- Scharpf, F. (1997) *Games real actors play. Actor-centered institutionalism and policy research*, Boulder (Co), Westview.
- Scharpf, F. W. (1988) The joint decision trap: lessons from German federalism and European integration. *Public Administration*, 66, 239-278.
- Stone, C. (1993) Urban regimes and the capacity to govern: A political economy approach. *Journal of Urban Affairs*, 15, 1-28.
- Stren, R. (2012) Cities and politics in the developing world: why decentralisation matters. IN Mossberger, K., Clarke, S. E. & John, P. (Eds.) *The Oxford handbook of urban politics*. Oxford, Oxford University Press.
- Tiebout, C. M. (1956) A pure theory of local expenditures. *Journal of Political Economy*, 44, 416-424.
- United Nations (2012) *World Urbanization Prospects. The 2011 Revision*, New York, United Nations: Economic and Social Affairs.
- van Kersbergen, K. & van Waarden, F. (2004) 'Governance' as a bridge between disciplines: cross disciplinary inspiration regarding shifts in governance and problems of governability, accountability and legitimacy. *European Journal of Political Research*, 43, 143-171.
- Wallis, A. D. (1994) The third wave: current trends in regional governance. *National civic review*, 83, 290-310.
- Weick, K. E. (2001) *Making sense of the organisation* Oxford, Blackwell.
- Wood, R. C. (1961) *New York: 1400 Governments*, Cambridge (Mass.), Harvard University Press.